No. 98-531

In the

Supreme Court of the United States

October Term, 1998

FLORIDA PREPAID POSTSECONDARY EDUCATION EXPENSE BOARD,

Petitioner,

v.

COLLEGE SAVINGS BANK and UNITED STATES OF AMERICA,

Respondents.

On Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

BRIEF AMICUS CURIAE OF PACIFIC LEGAL FOUNDATION IN SUPPORT OF RESPONDENTS

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QUESTION PRESENTED

Whether Congress has power under § 5 of the Fourteenth Amendment to abrogate the states' Eleventh Amendment immunity and make them amenable to suit in federal court for claims of patent infringement pursuant to § 2 of the Patent and Plant Variety Protection Remedy Clarification Act, 35 U.S.C. §§ 271(h), 296(a).

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INTEREST OF AMICUS CURIAE

For 25 years, amicus Pacific Legal Foundation (PLF) has been litigating in support of the right of individuals to receive just compensation when government takes their private property for public use. PLF attorneys have been before this Court on two occasions representing individuals seeking to vindicate their rights under the Just Compensation Clause of the United States Constitution. *See Nollan v. California Coastal Commission*, 483 U.S. 825 (1987); *Suitum v. Tahoe Regional Planning Agency*, 520 U.S. 725 (1997). Also, PLF has participated as an amicus curiae in virtually every significant takings case heard by this Court in the past two decades. Finally, PLF attorneys are counsel of record in three pending petitions for writ of certiorari seeking this Court's review of takings questions.[1]

In the present case, the court of appeals upheld the Patent Remedy Act against petitioner's Eleventh Amendment challenge based on Congress's power to enforce the Fourteenth Amendment's guarantee of procedural due process. Appendix to Petition for Certiorari (Pet. App.) at 13a. Procedural due process was the focus of the briefing below, and the briefs of petitioner and its amici have continued this focus. PLF, on the other hand, will urge the Court to uphold the Patent Remedy Act on a different ground, namely, that the Act is appropriate legislation to enforce the mandates of the Just Compensation Clause, as that Clause has been incorporated into § 1 of the Fourteenth Amendment. In so urging, PLF expects that the instant brief will bring to the Court's attention relevant matter not already brought to its attention by the parties.

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[1] Pursuant to Rule 37.3(a), all parties have consented to the filing of this amicus curiae brief. Letters evidencing such consent have been filed with the Clerk of the Court.

Pursuant to Rule 37.6, amicus curiae affirms that no counsel for any party authored this brief in whole or in part and that no person or entity made a monetary contribution to the preparation or submission of this brief.

SUMMARY OF ARGUMENT

After *Seminole Tribe of Florida v. Florida*, 517 U.S. 44 (1996), authority for Congress to abrogate the states' Eleventh Amendment immunity from suit in federal court must be found in § 5 of the Fourteenth Amendment or similar "enforcement" provisions. In considering the constitutionality of the Patent Remedy Act, therefore, the pertinent question is whether the Act is "appropriate legislation" within the meaning of § 5, that is, legislation to "enforce" the provisions of § 1 of the Amendment. The Patent Remedy Act is precisely this kind of legislation because it enforces the mandates of the Just Compensation Clause of the Fifth Amendment, which is incorporated into § 1.

This is so because, as this Court has long recognized, a patent is property within the meaning of that Clause, and the infringement of a patent by a state works a compensable taking of private property at the instant of infringement. By virtue of the self-executing character of the Just Compensation Clause, such a taking imposes on the state the constitutional obligation to pay just compensation to the patent owner. That obligation to pay arises at the same time as the taking-by-infringement occurs, creating a mature constitutional claim for just compensation on the part of the owner. In requiring an infringing state to satisfy its constitutional obligation in a federal-court action, the Patent Remedy Act does no more than directly enforce the mandates of the Just Compensation Clause.

While there is language in *Williamson County Regional Planning Commission v. Hamilton Bank*, 473 U.S. 172, 194-97 (1985), suggesting that a federal claim for just compensation is "premature" until the property owner first pursues any compensation remedies that are available in state court, that aspect of *Williamson County* should be discarded. Like the decision overruled in *Seminole Tribe*, that aspect of *Williamson County* deviated sharply from this Court's established jurisprudence and does not deserve continued adherence.

ARGUMENT

I

THE PATENT REMEDY ACT IS APPROPRIATE LEGISLATION TO ENFORCE THE MANDATES OF THE JUST COMPENSATION CLAUSE AS INCORPORATED INTO § 1 OF THE FOURTEENTH AMENDMENT

This case presents the question whether Congress exceeded its authority in enacting the Patent Remedy Act and thereby abrogating the immunity of states from federal-court suits for patent infringement. *Seminole Tribe* instructs that this inquiry "is narrowly focused on one question: Was the Act in question passed pursuant to a constitutional provision granting Congress the power to abrogate?" 517 U.S. at 59. In this regard, *Seminole Tribe* reaffirmed the holding of *Fitzpatrick v. Bitzer*, 427 U.S. 445, 452-56 (1976), that "through the Fourteenth Amendment, federal power extended to intrude upon the province of the Eleventh Amendment and therefore that § 5 of the Fourteenth Amendment allowed Congress to abrogate the immunity from suit guaranteed by that Amendment." 517 U.S. at 59. In the present case, therefore, Florida Prepaid has rightly identified the issue as "whether Congress exceeded its authority under § 5 when [it] attempt[ed] to abrogate the states' Eleventh Amendment immunity in patent [infringement] cases." Brief for Petitioner at 17. In broad terms, the answer to this question is, as set forth below, an easy one.

In the striking phrase of the court of appeals, it is "beyond cavil" that a valid patent is "property" within the meaning of the Constitution. Pet. App. at 12a. Consequently, petitioner and its amici acknowledge (if grudgingly) that states may not "deprive any person of [a patent], without due process of law." U.S. Const. amend. XIV, § 1. But the dictates of procedural due process hardly exhaust the explicit protections for property enshrined in the Constitution. A patent for an invention—"as much . . . as a patent for land," *Consolidated Fruit-Jar Co. v.*

Wright, 94 U.S. 92, 96 (1876)—is also protected by the Just Compensation Clause of the Fifth Amendment, in that it may not "be taken for public use without just compensation." U.S. Const. amend V. More than eight decades ago, this Court observed that "rights secured under the grant of letters patent by the United States were property and protected by the guarantees of the Constitution and not subject therefore to be appropriated even for public use *without adequate compensation*." *William Cramp & Sons Ship & Engine Building Co. v. International Curtis Marine Turbine Co.*, 246 U.S. 28, 39-40 (1918) (emphasis added). Indeed, that principle was, as far back as 1910, "so indisputably established as to need no review of the authorities sustaining [it]." *Id.* at 39.

It is further indisputably established, since as far back as this Court's decision in *Chicago, B. & Q.R. Co. v. City of Chicago*, 166 U.S. 226, 239-40 (1897), that the Just Compensation Clause was "made applicable to the States through [§ 1 of] the Fourteenth Amendment." *Dolan v. City of Tigard*, 512 U.S. 374, 383 (1994); *see also id.* at 384 n.5 (rejecting the dissent's argument to the contrary). Accordingly, through this incorporation of the Fifth Amendment into the Fourteenth, the Just Compensation Clause is now "expressly directed at the States." *Seminole Tribe*, 517 U.S. at 59. Section 5 of the Fourteenth Amendment therefore grants Congress the undoubted power "to enforce, by appropriate legislation, the provisions of" the Just Compensation Clause against the states. As *Seminole Tribe* reaffirms, this power necessarily includes the power "to abrogate the immunity from suit guaranteed by [the Eleventh] Amendment," 517 U.S. at 59, if that immunity is inconsistent with the mandates of the Just Compensation Clause.

As demonstrated below, state immunity from federal-court suits for patent infringement *is* inconsistent with the mandates of the Just Compensation Clause, and the Patent Remedy Act is therefore "appropriate legislation" to "enforce" those mandates against the states.

A. A State's Infringement of a Patent Works a Compensable Taking of Private Property for Public Use

As noted above, this Court in *William Cramp* found it "indisputably established" that patents are "property and protected by the guarantees of the Constitution and not subject therefore to be appropriated [i.e., taken] even for public use without adequate compensation." 246 U.S. at 40. Other decisions confirm that the "appropriation" of a patent on the part of the government or its agents—by means of infringing on the patent owner's exclusive right to use and manufacture the patented invention—constitutes a compensable taking within the meaning of the Fifth Amendment. In *Crozier v. Fried. Krupp Aktiengesellschaft*, 224 U.S. 290 (1912), this Court construed the predecessor of 28 U.S.C. § 1498(a), which now authorizes patent owners to sue the federal government when it infringes a patent, that is, whenever the owner's patented invention "is used or manufactured by or for the United States without license of the owner thereof or lawful right to use or manufacture the same." Recognizing "the undoubted authority of the United States as to [certain patentable] subjects to exert the power of eminent domain," *Crozier* held that the statute essentially provided for "the appropriation [i.e., taking] of a license to use the inventions." 224 U.S. at 305. The taking was, however, "sanctioned by the means of compensation for which the statute provides." *Id.* Thus, the Court equated the infringement of a patent with the exercise of the power of eminent domain (a taking) and equated the compensation provided for such infringement as the compensation required by the Fifth Amendment.

Both this Court and the lower federal courts have consistently adhered to this interpretation of *Crozier*. For example, in *George Moore Ice Cream Co. v. Rose*, 289 U.S. 373, 382 (1933), the Court relied on *Crozier* for the proposition that "a pledge of the public faith and credit will permit the seizure of property by right of eminent domain, though what is due for compensation must be ascertained thereafter." Moreover, in

Yearsley v. W.A. Ross Construction Co., 309 U.S. 18, 22-23 (1940), the Court cited the statute construed in *Crozier* as an example of the principle that if government action "does constitute a taking of property for which there must be just compensation under the Fifth Amendment, the Government has impliedly promised to pay that compensation and has afforded a remedy for its recovery by a suit in the Court of Claims." In more recent cases, the Court of Claims (and its successor, the Court of Appeals for the Federal Circuit) have recognized the equivalence of patent infringements and compensable takings in crystal clear terms: "When the government has infringed [a patent], it is deemed to have 'taken' the patent license under an eminent domain theory, and compensation is the just compensation required by the fifth amendment." *Leesona Corp. v. United States*, 599 F.2d 958, 964 (Ct. Cl.), *cert. denied*, 444 U.S. 991 (1979).[2]

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[2] *Accord, e.g., Pitcairn v. United States*, 547 F.2d 1106, 1114 (Ct. Cl. 1976) ("The use or manufacture by or for the Government of a device or machine embodying any invention protected by a United States patent, is a taking of property by the Government under its power of eminent domain."), *cert. denied*, 434 U.S. 1051 (1978); *Decca Ltd. v. United States*, 640 F.2d 1156, 1166 (Ct. Cl. 1980) (observing that the "manufacture or use by or for the Government of a patented invention" constitutes "an eminent domain taking of a license in [the] patent"), *cert. denied*, 454 U.S. 819 (1981); *id.* at 1167 n.17 (noting that the statutory remedy for the government's infringement "is equivalent to the just compensation which the fifth amendment mandates for every governmental taking"); *Motorola, Inc. v. United States*, 729 F.2d 765, 768 (Fed. Cir. 1984) (observing that a patent owner who pursues the statutory remedy for the government's infringement "is seeking to recover just compensation for the Government's unauthorized taking and use of his invention"); *Hughes Aircraft Co. v. United States*, 86 F.3d 1566, 1571 (Fed. Cir. 1996) ("The government's unlicensed use of a patented invention is properly viewed as a taking of property under the Fifth Amendment through the government's exercise of its power of eminent domain . . . ."), *vacated and remanded on other grounds*, 117 S. Ct. 1466 (1997).

When does this taking-by-infringement occur? The Court of Claims addressed this very issue in a case in which the government had infringed a patent for a radio navigation system:

> The Government takes a license to use or to manufacture a patented invention as of the instant the invention is first used or manufactured by the Government. The license taken at that instant covers only what the Government is using or has manufactured as of that instant. If, after this first taking, the Government expands the scope of its use of the invention or manufactures additional units of the invention, the Government engages thereby in incremental takings. Each incremental taking vests the patentee with a new cause of action.

Decca Ltd. v. United States, 640 F.2d 1156, 1166 (Ct. Cl. 1980), *cert. denied*, 454 U.S. 819 (1981). This principle—that a compensable taking occurs at "the instant" the government infringes the patent by using or manufacturing the patented invention—is a longstanding one in patent law. *See, e.g., Irving Air Chute Co. v. United States*, 93 F. Supp. 633, 636 (Ct. Cl. 1950) (citing cases).

Although this Court has never addressed the precise issue, the principle enunciated by the Court of Claims in *Decca* and *Irving Air Chute* is entirely consistent with the Court's holding that, with respect to de facto takings by physical invasion, "the usual rule is that the time of the invasion constitutes the act of taking." *United States v. Clarke*, 445 U.S. 253, 258 (1980). The consistency derives from the essential equivalence between a taking-by-invasion of real property and a taking-by-infringement of patent property: each results in the immediate loss to the owner of "one of the most essential sticks in the bundle of rights that are commonly characterized as property—the right to exclude others." *Kaiser Aetna v. United States*, 444 U.S. 164, 176 (1979). With respect to a physical invasion of real property, the loss of the right to exclude is self-evident. With

respect to an infringement of a patent, the loss derives from the fact that, "at bottom, a patent is but the right to exclude others from making using or selling an invention." Pet. App. at 12a (citing 35 U.S.C. § 271 and *Bloomer v. McQuewan*, 55 U.S. (14 How.) 539, 549 (1852)).

B. Such a Taking Immediately Imposes on the State a Constitutional Obligation to Pay Just Compensation to the Patent Owner

If the infringement of a patent by the United States (and, by obvious analogy, a state) constitutes a compensable taking of private property at the instant of infringement, then certain consequences inevitably follow. As this Court reaffirmed in one of the seminal takings decisions of the past two decades, "government action that works a taking of property rights necessarily implicates the 'constitutional obligation to pay just compensation.'" *First English Evangelical Lutheran Church v. County of Los Angeles*, 482 U.S. 304, 315 (1987) (quoting *Armstrong v. United States*, 364 U.S. 40, 49 (1960)). Accordingly, infringement of a patent by a state necessarily imposes on that state a constitutional obligation to pay just compensation to the patent owner. Furthermore, as the Court stressed in *First English*, a state's obligation to pay is "self-executing," such that "'the duty to pay [is] imposed by the [Fifth] Amendment'" itself. *Id.* (quoting *Jacobs v. United States*, 290 U.S. 13, 16 (1933)); *accord id.* at 316 ("[T]he Court has frequently repeated the view that, in the event of a taking, the compensation remedy is required *by the Constitution*" (emphasis added)). Indeed, *First English* went so far as to *reject explicitly* the government's argument—supposedly derived from "principles of sovereign immunity"—that "the Constitution does not, of its own force, furnish a basis for a court to award money damages against the government." *Id.* at 316 n.9.

When does a state's constitutional obligation to pay just compensation arise or accrue? The obvious, intuitive answer is that the taking and the obligation to pay just compensation

are concomitant, that is, they come into being simultaneously. This answer is, of course, the consistent holding of this Court and the lower federal courts for decades. In *United States v. Dow*, 357 U.S. 17 (1958), for example, the Court explained:

> The usual rule is that if the United States has entered into possession of the property prior to the acquisition of title, it is the former event which constitutes the act of taking. *It is that event which gives rise to the claim for compensation* . . . .

Id. at 22 (emphasis added); *accord United States v. Clarke*, 445 U.S. at 258 ("When a taking occurs by physical invasion, . . . the usual rule is that the time of the invasion constitutes the act of taking, and '[i]t is that event which gives rise to the claim for compensation . . . .'" (quoting *Dow*)).

Other decisions of this Court restate essentially the same rule using slightly different phraseology. In *Danforth v. United States*, 308 U.S. 271, 284 (1939), the Court affirmed simply that "compensation is due at the time of taking." In *United States v. Dickinson*, 331 U.S. 745 (1947), the Court rejected the government's argument that Dickinson's reclamation of a portion of property previously taken by flooding disentitled him to be paid for the original taking: "no use to which Dickinson could subsequently put the property by his reclamation efforts changed the fact that the land was taken when it was taken and *an obligation to pay for it then arose*." *Id.* at 751 (emphasis added). In *Soriano v. United States*, 352 U.S. 270, 275 (1957), the Court affirmed as time-barred the dismissal of petitioner's claim against the government "for just compensation for supplies, etc., taken from him . . . during the Japanese occupation of the Philippines." As it rejected petitioner's argument that the hostilities tolled the applicable statute of limitations, the Court agreed that petitioner's claim for compensation "accrued at the time of the taking." *Id.*; *see also United States v. Rogers*, 255 U.S. 163, 169 (1921) ("Having taken the lands of the defendants in error, it was the duty of the government to make just

compensation as of the time when the owners were deprived of their property."); *Seaboard Air Line Ry. Co. v. United States*, 261 U.S. 299, 306 (1923) (same).[3]

The Court's more recent "temporary takings" jurisprudence confirms the time-of-taking rule. Judicial recognition of temporary takings is often thought to have originated in Justice Brennan's dissent in *San Diego Gas & Electric Co. v. City of San Diego*, 450 U.S. 621 (1981). In that case, the Court did not reach the question presented, namely, whether "a State must provide a monetary remedy to a landowner whose property allegedly has been 'taken' by a regulatory ordinance"; a majority of Justices concluded that the Court "lack[ed] jurisdiction" because the judgment below was not "final" under 28 U.S.C. § 1257. *Id.* at 623. Justice Brennan did reach that question, however. Writing for four Justices—and garnering the substantial agreement of a fifth, *see id.* at 633-34 (Rehnquist, J., concurring)—Justice Brennan would have held that, where a court finds a regulatory taking, a government entity "must pay just compensation for the period commencing on the date the regulation first effected the 'taking,' and ending on the date the government entity chooses to rescind or otherwise amend the

[3] The law in the old Court of Claims and the Federal Circuit is the same. *See Creppel v. United States*, 41 F.3d 627, 633 (Fed. Cir. 1994) ("a claim under the Fifth Amendment accrues when the taking action occurs"); *Alliance of Descendants of Texas Land Grants v. United States*, 37 F.3d 1478, 1481 (Fed. Cir. 1994) (same); *Inupiat Community of Arctic Slope v. United States*, 680 F.2d 122, 127 (Ct. Cl.) ("The claims . . . are all for takings, and the alleged act of taking was the Settlement Act. The claims therefore accrued on . . . the date on which the Settlement Act became effective."), *cert. denied*, 459 U.S. 969 (1982); *Steel Improvement & Forge Co. v. United States*, 355 F.2d 627, 631 (Ct. Cl. 1966) ("It is axiomatic that a cause of action for an unconstitutional taking accrues at the time the taking occurs."); *Stafford Ordinance Corp. v. United States*, 108 F. Supp. 378, 381 (Ct. Cl. 1952) ("Ordinarily a claim accrues in requisitioning property at the time of the actual taking of the property.").

regulation." *Id.* at 658 (Brennan, J., dissenting). This conclusion was grounded in part on the recognition that "[a]s soon as private property has been taken, . . . 'the self-executing character of the constitutional provision with respect to just compensation' is triggered." *Id.* at 654 (quoting *Clarke*, 445 U.S. at 257). When Justice Brennan's dissent subsequently became law in *First English*, the Court reaffirmed "the self-executing character of the constitutional provision with respect to just compensation," 482 U.S. at 315, and it necessarily reaffirmed as well that this constitutional provision is triggered "[a]s soon as private property has been taken."

C. Requiring a State to Satisfy That Constitutional Obligation in Federal Court Is a Direct Enforcement of the Just Compensation Clause

The foregoing principles, we submit, compel the following conclusions: (1) the infringement of a patent by a state works a compensable taking of private property at the instant of infringement; (2) by virtue of the self-executing character of the Fifth Amendment (as incorporated into the Fourteenth), such a taking imposes on the state the constitutional obligation to pay just compensation to the patent owner; and (3) that obligation to pay is triggered, or arises, at the same time as the taking-by-infringement occurs. Given these conclusions, we turn to consider whether the Patent Remedy Act, in providing remedies for patent infringement by the states, partakes of the "congruence and proportionality" required by *City of Boerne v. Flores*, 117 S. Ct. 2157, 2164 (1997), for the Act to qualify as "'enforc[ing]' the provisions of the Fourteenth Amendment." As stated in *City of Boerne*, the Court's recent decisions in this regard "revolve around the question whether § 5 legislation can be considered remedial." *Id.* at 2166. We think it beyond dispute that most provisions of the Patent Remedy Act are rightly considered "remedial." As explained below, other provisions present a closer question.

1. Damages

The Patent Remedy Act provides that states are subject to patent remedies "to the same extent as such remedies are available for [infringement] in a suit against any private entity." 35 U.S.C. § 296(b). Such remedies include damages pursuant to 35 U.S.C. § 284, which provides that, upon finding for the patent owner in an infringement action, "the court shall award the [owner] damages adequate to compensate for the infringement." This provision is remedial virtually by definition. As we have seen, patent owners' "claims for just compensation are grounded in the Constitution itself," and states consequently have a "constitutional obligation to pay just compensation" for takings of patent property. *First English*, 482 U.S. at 315. The damages provision of § 284, in obliging states to pay "damages adequate to compensate for the infringement," does no more than simply "enforce" that constitutional obligation in direct fashion. To put the point another way, if "the compensation remedy is required by the Constitution," *First English*, 482 U.S. at 316, then the damages provision of § 284, by actually providing that remedy, is requiring of states only what is already required of them by the Fourteenth Amendment itself. Finally, if the Constitution, "of its own force, furnish[es] a basis for a court to award money damages against the government" for a taking, *id.* n.9, then Congress cannot be said to have exceeded its powers by furnishing in § 284 a *statutory* basis to make the very same award.

Section 284 also grants the court discretion "to increase the damages up to three times the amount found or assessed." Without citation, the court below asserted that such damages "have long been established by Congress as proper and necessary to afford full compensation to a patentee." Pet. App. at 25a. In particular cases, this will undoubtedly be true: single damages alone would be a "constitutionally insufficient remedy," *First English*, 482 U.S. at 321, because they would fail to measure up to the constitutional standard: Just "compensation

means the full and perfect equivalent in money of the property taken. The owner is to be put in as good position pecuniarily as he would have occupied if his property had not been taken." *United States v. Miller*, 317 U.S. 369, 373 (1943). In these cases, the "increase" in damages would surely partake of the "remedial" nature of the damages discussed in the previous paragraph. On the other hand, there will certainly be cases in which single damages alone (together with the other monetary remedies discussed below) would indeed provide every bit of the compensation required by the Constitution. In these latter cases, the award of *additional* compensation against a state would essentially "make a substantive change in the governing law" of just compensation and would lie outside of Congress's power under § 5. *City of Boerne*, 117 S. Ct. at 2164.

The proper response to these competing possibilities, we submit, is to take refuge in the discretionary character of § 284, which provides that courts "*may* increase" damages. The lower federal courts, with additional guidance from Congress at its option, should be permitted to exercise their discretion to strike a proper balance between ensuring that the patent owner is "put in as good position pecuniarily as he would have occupied if his [patent] had not been taken," *Miller*, 317 U.S. at 373, without imposing "substantial costs" on the states in the absence of constitutional warrant, *City of Boerne*, 117 S. Ct. at 2171. This discretion should be exercised both by trial courts in individual cases and by the Court of Appeals for the Federal Circuit to the extent it can formulate more general rules.

2. Interest and Costs

Section 284 further provides for an award of "interest and costs as fixed by the court." The propriety of an award of interest should be obvious to all. This Court has "consistently . . . held that the Fifth Amendment's reference to 'just compensation' entitles the property owner to receive interest from the date of the taking to the date of payment as a part of his just compensation." *United States v. Thayer-West Point Hotel Co.*,

329 U.S. 585, 588 (1947); *accord, e.g., Library of Congress v. Shaw*, 478 U.S. 310, 317 n.5 (1986) ("To satisfy the constitutional mandate, 'just compensation' includes a payment for interest."). In requiring the payment of interest, § 284 is directly enforcing the mandates of the Just Compensation Clause.

With respect to costs, the analysis must begin with this Court's decision in *Hutto v. Finney*, 437 U.S. 678, 695 (1978), which recognized that "[c]osts have traditionally been awarded without regard for the States' Eleventh Amendment immunity." Unlike the decision overruled in *Seminole Tribe*, this aspect of *Hutto* was no "solitary departure from established law." 517 U.S. at 66. As *Hutto* pointed out, "[t]he practice of awarding costs against the States goes back to 1849 in this Court." 437 U.S. at 695 (referring to *Missouri v. Iowa*, 48 U.S. (7 How.) 660 (1849)). More importantly for present purposes, "[t]he Court has never viewed the Eleventh Amendment as barring such awards, even in suits between States and individual litigants." *Id.* (discussing, as exemplary, *Fairmont Creamery Co. v. Minnesota*, 275 U.S. 70 (1927)). Although several Justices dissented in *Hutto*, none appeared to challenge this holding as applied strictly to costs, as opposed to attorney fees. *See id.* at 704 (Powell, J., concurring in part and dissenting in part) (disagreeing with the Court's affirmance of "*counsel-fee awards* against the State" (emphasis added)); *id.* at 714 (Rehnquist, J., dissenting) (criticizing the two theories advanced by the Court "to support the separate awards of *attorney's fees* in this case" (emphasis added)).

Accordingly, the award of interests and costs authorized by § 284 is within the power of Congress.

3. Attorney Fees

In addition to awarding damages, interest, and costs for patent infringement, the court "in exceptional cases may award reasonable attorney fees to the prevailing party." 35 U.S.C. § 285. The Patent Remedy Act expressly makes this provision

applicable to infringing states. *See id.* § 296(b). In our view, the Court has available to it two separate rationales for sanctioning the award of attorney fees against a state under § 285.

First, the Court may follow *Hutto* and its progeny. Thus, in *Missouri v. Jenkins*, 491 U.S. 274, 284 (1989), the Court "reaffirm[ed its] holding in *Hutto v. Finney* that the Eleventh Amendment has no application to an award of attorney's fees, ancillary to a grant of prospective relief, against a State." The reference to "prospective relief" in this passage must be interpreted in light of "the distinction drawn in [the Court's] earlier cases between 'retroactive monetary relief' and 'prospective injunctive relief,' the latter generally thought to be permitted by the Eleventh Amendment. *Id.* at 278. Given that distinction, we submit that *Jenkins* is best understood to have held that the Eleventh Amendment does not bar the award of attorney fees against a state where, as here, such award is ancillary to other relief that is within the constitutional power of Congress to provide. *Accord Kentucky v. Graham*, 473 U.S. 159, 170 (1985) (unanimous) (describing *Hutto* as having held that, "when a State in a § 1983 action has been prevailed against for relief on the merits, either because the State was a *proper* party defendant or because state officials *properly* were sued in their official capacity, [attorney] fees may also be available from the State under § 1988" (emphasis added)). On this understanding of *Hutto*, the Eleventh Amendment would not bar an award of attorney fees against a state pursuant to 35 U.S.C. § 285 because such an award would be ancillary to the compensatory relief properly awarded pursuant to § 284.

Second and alternatively, the Court may rightly find that § 285 is "appropriate legislation" to enforce the constitutional obligation of states to pay just compensation for takings of patent property. In this regard, it is critical to recognize the exceedingly narrow circumstances in which attorney fees may be awarded, as described by the Federal Circuit:

> The purpose of section 285 "is to provide discretion where it would be *grossly unjust* that the winner be left to bear the burden of his own counsel which prevailing litigants normally bear." [The party seeking fees] has the burden of proving by clear and convincing evidence that this is an exceptional case. As we have repeated "[t]here must be some finding of unfairness, bad faith, or inequitable conduct on the part of the unsuccessful [party]."

Badalamenti v. Dunham's, Inc., 896 F.2d 1359, 1364 (Fed. Cir.) (citations omitted), *cert. denied*, 498 U.S. 851 (1990). Congress could reasonably conclude that an award of attorney fees against a state is "adapted to carry out the objects" of the Just Compensation Clause, *City of Boerne*, 117 S. Ct. at 2163 (quoting *Ex parte Virginia*, 100 U.S. 339, 346 (1879), if the absence of such an award would be "grossly unjust" to the prevailing patent owner. In addition, Congress could reasonably conclude that the award of attorney fees against a state that has been shown—by clear and convincing evidence, no less—to have engaged in unfairness, bad faith, or inequitable conduct would "tend[] to enforce submission to" the mandates of the Just Compensation Clause. *Id.* At very least, such an award would tend to discourage states from unfairly and inequitably resisting the constitutional obligation to pay just compensation.

4. Injunctive Relief

Finally, the Patent Remedy Act authorizes remedies "in equity" against infringing states and their officers and employees. 35 U.S.C. § 296(b); *see also id.* § 283 (authorizing courts to "grant injunctions in accordance with the principles of equity to prevent the violation of any right secured by patent"). It is unlikely that the Just Compensation Clause as incorporated in the Fourteenth Amendment provides a basis for Congress to abrogate the immunity of states (as states) from injunctive relief against patent infringements. This perhaps counterintuitive conclusion results from the precept that the Just Compensation

Clause "is designed not to limit the governmental interference with property rights *per se*, but rather to secure *compensation* in the event of an otherwise proper interference amounting to a taking." *First English*, 482 U.S. at 315. It would appear that a state's "constitutional obligation to pay just compensation," *id.*, could be fully satisfied by application of the monetary remedies discussed above, without having to subject the state to additional remedies in equity.

This point will have little practical significance, however, given the express right granted patent owners to obtain injunctive relief against "any officer or employee of a State or instrumentality of a State acting in his official capacity." 35 U.S.C. § 296(a). This right, of course, is not subject to an Eleventh Amendment bar. As *Seminole Tribe* expressly affirmed, "several avenues remain open for ensuring state compliance with federal law. Most notably, an individual may obtain injunctive relief under *Ex parte Young* in order to remedy a state officer's ongoing violation of federal law." 517 U.S. at 72 n.16 (citation omitted). Although *Seminole Tribe* declined to apply *Ex parte Young* to asserted violations of the Indian Gaming Regulatory Act (IGRA), that declination was based on the Court's determination that "Congress had no wish" to impose liability on state officers for violations of the IGRA and that for courts to impose liability would be "to rewrite the statutory scheme." *Id.* at 76. In contrast to IGRA, the Patent Remedy Act does clearly express the wish of Congress to subject state officers to injunctive relief to restrain ongoing violations of the patent laws; no "rewrit[ing]" of the statutory scheme is necessary.

For the foregoing reasons, the Patent Remedy Act easily qualifies as "appropriate legislation" within the meaning of § 5 of the Fourteenth Amendment, as it is a measure to "enforce" the mandates of the Just Compensation Clause as incorporated into § 1 of the Amendment. Therefore, Congress acted within its express authority when it abrogated the Eleventh Amendment immunity of states in patent infringement cases.

II

TO THE EXTENT IT IS IN CONFLICT WITH THE FOREGOING ANALYSIS, THE DECISION IN *WILLIAMSON COUNTY* SHOULD BE LIMITED

Although we think the foregoing arguments should fully dispose of the present case, we anticipate a response along the following lines: Congress may not rely on the Just Compensation Clause to abrogate the immunity of states from federal-court suits for patent infringement because there has been no "violation" of that Clause until *after* a patent owner has sought, and been denied, compensation for infringement in *state court*. According to this account, a federal-court action such as the one brought by respondent College Savings Bank would not be "ripe"—and an abrogation of state immunity would not be "appropriate"—until the patent owner had first sought compensation from the state in its own courts. This argument founders, we think fatally, on the well-established principle that a claim for just compensation for a taking of private property—and, in particular, a taking-by-infringement of property in a patent—accrues "at the time of [the] taking." *Danforth*, 308 U.S. at 284. *See generally supra* Section I.B, pp. 8-11. Nevertheless, because *Williamson County Regional Planning Commission v. Hamilton Bank*, 473 U.S. 172, 194-97 (1985), has sown confusion in this area, we give it due consideration below.

In its own words, the *Williamson County* Court "granted certiorari to address the question whether Federal, State, and Local governments must pay money damages to a landowner whose property allegedly has been 'taken' temporarily by the application of government regulations." *Id.* at 185. The attorneys general of no fewer than 19 states and territories, together with the Solicitor General of the United States, the National Association of Counties, the City of New York, and the City of St. Petersburg, Florida, joined the petitioner in urging the Court to reverse the judgment rendered in favor of the property owner "on the ground that a temporary regulatory interference with an

investor's profit expectation does not constitute a 'taking' . . . or, alternatively, on the ground that even if [it does], the Just Compensation Clause does not require money damages as recompense." *Id.* at 175. Four professional and public-interest organizations filed amicus curiae briefs urging affirmance of the judgment. *See id.* at 174.

In the end, all of this briefing was for naught, because the Court did not decide the case on the questions presented. Instead, *Williamson County* left the temporary takings issue "for another day," concluding that the property owner's claim for just compensation was "premature." *Id.* at 186. The primary basis for this conclusion was the Court's application of the rule that a regulatory takings claim "is not ripe until the government entity charged with implementing the regulations has reached a final decision regarding the application of the regulations to the property at issue." *Id.* As the Court explained at length, *see id.* at 186-94, this rule had its antecedents in *Penn Central Transportation Co. v. City of New York*, 438 U.S. 104 (1978); *Agins v. City of Tiburon*, 447 U.S. 255 (1980); and *Hodel v. Virginia Surface Mining & Reclamation Association, Inc.*, 452 U.S. 264 (1981). Indeed, even after *Williamson County*, the Court has continued to visit the "final decision" requirement of regulatory takings law. *See MacDonald, Sommer & Frates v. Yolo County*, 477 U.S. 340 (1986); *Suitum v. Tahoe Regional Planning Agency*, 520 U.S. 725 (1997).

After having explicated the final decision requirement, the Court in *Williamson County* concluded that the petitioner planning commission's "denial of approval does not conclusively determine whether respondent [property owner] will be denied all reasonable beneficial use of its property, and therefore is not a final, reviewable decision." 473 U.S. at 194. Logically, the opinion could have stopped at that point, but it did not. Again without the benefit of briefing, the opinion posited a "second reason [why] the taking[s] claim is not yet ripe," namely, that the property owner "did not seek compensation through the

procedures the State provided for doing so." *Id.* This aspect of *Williamson County* is, we submit, of essentially the same character as the decision discarded in *Seminole Tribe*: as explained below, it "deviated sharply" from the Court's established Just Compensation Clause jurisprudence, and it "essentially eviscerated" the Court's decision in *United States v. Dow*, among other cases. *Seminole Tribe*, 517 U.S. at 64 (criticizing, and later overruling, *Pennsylvania v. Union Gas Co.*, 491 U.S. 1 (1989)). Although the present case does not require the Court to "overrule" in formal terms the state-procedures aspect of *Williamson County*, it does present a good opportunity for the Court to depart from the "unworkable" and "badly reasoned" aspects of the opinion. *Seminole Tribe*, 517 U.S. at 63 (quoting *Payne v. Tennessee*, 501 U.S. 808, 827 (1991)).

As explained in detail above, it was the consistent rule of this Court and the lower federal courts for many decades that the government's taking of private property and the government's obligation to pay just compensation for such taking are concomitant, coming into being at the same time. The Court has, of course, formulated the rule in varying terms: the event of taking "gives rise to the claim for compensation," *Dow*, 357 U.S. at 22; *Clarke*, 445 U.S. at 258; compensation becomes due "at the time of taking," *Danforth*, 308 U.S. at 284; "an obligation to pay for" the land arose "when it was taken," *Dickinson*, 331 U.S. at 751; the claim for just compensation "accrued at the time of the taking," *Soriano*, 352 U.S. at 275; the government's duty to pay just compensation is triggered "[a]s soon as private property has been taken," *San Diego Gas*, 450 U.S. at 654 (Brennan, J., dissenting). The *Williamson County* opinion put forth two reasons for silently departing from this longstanding rule, for labeling as "premature" a claim that *Soriano* (for example) had called as "accrued." Both of these reasons were "based upon what we believe to be a misreading of precedent." *Seminole Tribe*, 517 U.S. at 65.

First, the opinion cited *Ruckelshaus v. Monsanto Co.*, 467 U.S. 986, 1016-20 (1984), for the proposition that this Court has "held that takings claims against the Federal Government are premature until the property owner has availed itself of the process provided by the Tucker Act." 473 U.S. at 195. But if "takings claims" are meant here to refer to monetary claims for just compensation for a completed taking of private property, then the cited passage from *Monsanto* did not even consider such claims, let alone declare them "premature" until after the property owner had sued under the Tucker Act.[4]

In *Monsanto*, the company brought suit in federal district court "seeking *injunctive and declaratory relief* from the operation of" various provisions of the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), alleging that "all of the challenged provisions effected a 'taking' of property without just compensation, in violation of the Fifth Amendment." 467 U.S. at 998-99 (emphasis added). Having first concluded that some of the challenged provisions might possibly operate to take Monsanto's property in certain circumstances, the Court went on to consider (in the passage later cited by the opinion in *Williamson County*) whether that conclusion afforded a basis for granting Monsanto the injunctive relief it had sought. The *Monsanto* Court ruled that it did not, based on the established rule that "[*e*]*quitable relief* is not available to enjoin an alleged taking of private property for public use . . . when a suit for compensation can be brought against the sovereign subsequent

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[4] The Tucker Act grants jurisdiction to the Court of Federal Claims to adjudicate "any claim against the United States founded upon . . . the Constitution." 28 U.S.C. § 1491(a)(1); *see also id.* § 1346(a)(2) (granting the district courts concurrent jurisdiction over such claims "not exceeding $10,000 in amount"). It is this jurisdictional grant that authorizes the Court of Federal Claims to hear and determine monetary claims against the United States for just compensation. *See, e.g., United States v. Causby*, 328 U.S. 256, 267 (1946) ("If there is a taking, the claim is 'founded upon the Constitution' and within the jurisdiction of the Court of Claims to determine.").

to the taking." *Id.* at 1016 (emphasis added); *see also id.* at 1017-19 (concluding that such a suit could indeed be brought pursuant to the Tucker Act).

So Monsanto's claim for equitable relief under the Fifth Amendment was not merely *premature*, it was *not available* at all. What about a Tucker Act suit against the government in the Court of Federal Claims? Was it somehow a *prerequisite* to asserting a *monetary* claim against the government for just compensation for a taking of property? No, as the *Monsanto* decision confirms, a Tucker Act suit *is* the assertion of a claim for just compensation: "whatever taking may occur is one for public use, and a Tucker Act remedy is available to provide Monsanto with just compensation." *Id.* at 1020. When is this remedy available? Consistent with the longstanding rule that the government's obligation to provide compensation arises at the time of the taking, the *Monsanto* Court observed that the company could proceed to the Court of Federal Claims "[o]nce a taking has occurred." *Id.*

If the opinion in *Williamson County* fundamentally misread *Monsanto*, it also created what can only be described as a logical absurdity. As noted above, it is the Tucker Act—by granting the Court of Federal Claims jurisdiction of "claim[s] against the United States founded upon . . . the Constitution," 28 U.S.C. § 1491(a)(1)—that authorizes the Court of Federal Claims to adjudicate claims against the United States for just compensation. *See supra* note 4. So if *Williamson County* is correct that a property owner must "avail[] itself of the process provided by the Tucker Act" *before* pursuing its claim for just compensation, 473 U.S. at 195, then the property owner must essentially bring a Tucker Act suit before bringing a Tucker Act suit. Or to put it another way, a property owner's Tucker Act suit for just compensation is "premature" until the property owner has brought a Tucker Act suit for just compensation. *Id.* Obviously, this cannot be.

The opinion in *Williamson County* attempted to translate the proposition that "takings claims against the Federal Government are premature until the property owner has availed itself of the process provided by the Tucker Act" into an analogous proposition at the state level: "Similarly, if a State provides an adequate procedure for seeking just compensation, the property cannot claim a violation of the Just Compensation Clause until it has used the procedure and been denied just compensation." *Id.* But if, as demonstrated above, the former proposition has no basis in law or logic, the latter is baseless as well. Indeed, the latter proposition creates its own, easily demonstrable logical absurdities.

Consider the typical state-law "procedure for seeking just compensation" against the state, namely, an inverse condemnation action against the state in its own courts. *See, e.g., Jacobs Wind Electric Co., Inc. v. Department of Transportation*, 626 So. 2d 1333, 1337 (Fla. 1993) (observing that "[t]he Florida and federal constitutions prohibit the State's taking of private property without due process or just compensation" and therefore holding that a patent holder "may assert takings . . . claims in state court" against a state agency). As to whether that state-court action is intended by the state to satisfy its *federal* constitutional obligation to pay just compensation for a taking, there are only two possibilities: it is, or it isn't. If it is—if the "procedure" is simply a willingness on the part of state courts to adjudicate *federal* constitutional claims—then we have a situation analogous to the Tucker Act conundrum above: a federal claim against the state (in state court) for just compensation is "premature" until the property owner has pursued a federal claim (in state court) against the state for just compensation.

On the other hand, if the state-court action is *not* intended by the state to satisfy its obligations under the Just Compensation Clause—if the "procedure" is rather one to enforce a right that arises under *state* law—then we have a situation where a property owner with an concededly "accrued" federal claim for

just compensation is forced to postpone the assertion of that claim and pursue a state-law claim instead. There may well be good reasons, grounded in considerations of comity and federalism, for such a postponement. But contrary to the assertion in *Williamson County*, these reasons have nothing to do with the "nature of the constitutional right" to just compensation. 473 U.S. at 195 n.13. Consistent with *Dow*, *Clarke*, *Danforth*, *Dickinson*, and *Soriano*, no court treats federal claims for just compensation for completed takings of property as *inherently* unripe or premature. That is, we are aware of no state judicial system that refuses to adjudicate *federal* claims for just compensation on the ground that they are unripe or premature until a property owner has first pursued to completion all claims for compensation under *state* law. It is not difficult to cite numerous counterexamples of state judicial systems that will hear and determine *federal* claims for just compensation *as soon as* a taking has occurred.[5] This Court, moreover, has routinely exercised jurisdiction to review state-court judgments concerning such claims without ever once suggesting that the claims were unripe or premature because the property owner had not *first* pursued claims for compensation under state law.[6]

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[5] *See, e.g., Jacobs Wind*, 636 So. 2d at 1337 (contemplating that a patent holder would assert its claims under the Just Compensation Clause *along with* its claims under the state analogue and under state common law); *Kavanau v. Santa Monica Rent Control Board*, 941 P.2d 851, 855 (Cal. 1997) (observing that property owner brought a claim for "'just compensation' in the form of lost rental income and interest" under both "article I, section 19 of the California Constitution and the Fifth Amendment of the United States Constitution"), *cert. denied*, 118 S. Ct. 856 (1998); *Mayhew v. Town of Sunnyvale*, 964 S.W.2d 922, 930 (Tex. 1997) (finding ripe the property owner's "just compensation takings claims" brought at the same time "under the United States Constitution and [the] Texas Constitution").

[6] *See, e.g., Lucas v. South Carolina Coastal Council*, 505 U.S. 1003, 1009 (1992) (property owner did not first pursue state-law remedies (continued...)

The second basis for *Williamson County*'s rejection of the longstanding rule that claims for just compensation arise at the time of the taking was a supposed analogy between takings of private property "without just compensation" and deprivations of property "without due process of law." *See* 473 U.S. at 195. Where a person suffers a deprivation of property through "a random and unauthorized act by a state employee," the state's action "is not 'complete' in the sense of causing a constitutional injury 'unless or until the State fails to provide an adequate postdeprivation remedy for the property loss.'" *Id.* (quoting *Hudson v. Palmer*, 468 U.S. 517, 532 n.12 (1984)).

Even assuming the validity of the analogy between the Just Compensation Clause and the Due Process Clause, *Hudson* does not provide the correct frame of analysis. That decision was premised on the fact of "a random and unauthorized act by a state employee." As even the opinion in *Williamson County* recognized, *Hudson* has no applicability to situations "in which the deprivation of property is effected pursuant to an established state policy or procedure." *Id.* at 195 n.14. A taking is always effected pursuant to an established state policy or procedure; if the relevant injury to property results from a truly random and unauthorized act by a government employee, the property owner has suffered a tort, not a taking. In any event, the very notion that a state's action is somehow not "complete" until after the property owner avails himself of state-law com-

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[6] (...continued)
for compensation; rather, once the regulatory agency had made final decision, owner "promptly filed suit in the South Carolina Court of Common Pleas" seeking just compensation for regulatory taking); *First English*, 482 U.S. at 308-09 (little more than a month after the ordinance was adopted, property owner brought action simultaneously seeking damages in tort and just compensation for a regulatory taking); *Loretto v. Teleprompter Manhattan CATV Corp.*, 458 U.S. 419, 424 (1982) (without first pursuing separate state-law remedies for compensation, property owner sued seeking damages for trespass and just compensation for government-sponsored physical invasion).

pensation procedures cannot be reconciled with the rule that a state's taking of property, without more, gives rise to a "right to recover just compensation" on the part of the owner and a corresponding "obligation to pay just compensation" on the part of the state. *First English*, 482 U.S. at 315. Thus, while a postdeprivation remedy might allow the government to avoid liability for a denial of due process, once a taking has occurred, liability is unavoidable: "no subsequent action by the government can relieve it of the duty to provide compensation." *Id.* at 321 (internal quotation marks omitted).

It remains to show how the state-procedures portion of *Williamson County* has proved "unworkable," having "created confusion among the lower courts." *Seminole Tribe*, 517 U.S. at 63, 64. Federal courts of appeals have been forced into contortions to describe whether, and employing what procedures, property owners might somehow "reserve" their federal claims for just compensation for a federal forum when they are forced by *Williamson County* to proceed in state court.[7] Moreover, even if property owners can manage to salvage the *formal* right to bring their federal claims in federal court, they may effectively lose that right through application of the rules of issue preclusion. *See, e.g., Dodd v. Hood River County*, 136 F.3d 1219, 1227 (9th Cir.) ("Nor does the Dodds' previous reservation of this federal takings claim . . . prevent operation of the issue preclusion doctrine."), *cert. denied*, 119 S. Ct. 278 (1998).

In applying issue preclusion, the Ninth Circuit has equated the issue whether a land-use regulation "allows a landowner some substantial beneficial use of his property" for purposes

[7] *See, e.g., Peduto v. City of North Wildwood*, 878 F.2d 725 (3d Cir. 1989); *Front Royal & Warren County Industrial Park Corp. v. Town of Front Royal*, 135 F.3d 275 (4th Cir. 1998); *Dodd v. Hood River County*, 59 F.3d 852 (9th Cir. 1995); *Wilkinson v. Pitkin County Board of County Commissioners*, 142 F.3d 1319 (10th Cir. 1998); *Fields v. Sarasota Manatee Airport Authority*, 953 F.2d 1299 (11th Cir. 1992).

of the compensation provision of the Oregon Constitution with the issue whether "a land owner has been deprived of 'economically beneficial uses' of his property" for purposes of the Just Compensation Clause of the United States Constitution. *Id.* at 1225. In so doing, the court deprived the property owner of an opportunity *ever* to present its federal claims for a categorical taking to a federal court. These kinds of deprivations can be expected to multiply, given that nearly every state has a compensation provision that is (or has been interpreted to be) very similar to the Just Compensation Clause.

The effect of *Williamson County* is therefore to drive out of federal court virtually all federal claims for just compensation for takings of private property by state and local governments. This result is anomalous on its face, and it is especially disturbing in light of the Court's firm refusal, with respect to *other* federal claims brought pursuant to 42 U.S.C. § 1983, to "require[] exhaustion of state *judicial* or administrative remedies, recognizing the paramount role Congress has assigned to the federal courts to protect constitutional rights." *Steffel v. Thompson*, 415 U.S. 452, 472-73 (1974) (emphasis added), *quoted in Patsy v. Board of Regents*, 457 U.S. 496, 500 (1982). In actual practice, the state-procedures aspect of *Williamson County* has effectively caused the Just Compensation Clause, "as much a part of the Bill of Rights as the First Amendment or Fourth Amendment, [to] be relegated to the status of a poor relation," notwithstanding the Court's protestations to the contrary in *Dolan v. City of Tigard*, 512 U.S. 374, 392 (1994).

If, as we have demonstrated, the "nature of the constitutional right" to just compensation (that nature being such that the right accrues at the time of the taking) cannot explain the opinion in *Williamson County*, then how can one explain it? It would seem that the state-procedures aspect of that decision essentially makes a policy judgment about the proper timing and forum for asserting claims under the Just Compensation Clause. To paraphrase from *Patsy*, requiring an owner whose

property has been taken to pursue state-law claims for compensation before asserting his claim under the Just Compensation Clause (a kind of exhaustion), or to pursue his federal claim in state court (a kind of abstention), or both, perhaps

> would lessen the perceived burden that [just compensation] actions impose on federal courts; would further the goal of comity and improve federal-state relations by postponing federal-court review until after the state [courts] had passed on the issue; and would enable the [state judiciary], which presumably has expertise in the area at issue [i.e., property law], to enlighten the federal court's ultimate decision.

457 U.S. at 512 (footnote omitted).

No doubt these are powerful considerations, particularly to a Court that is as rightfully concerned with maintaining the proper federal-state balance as the Court was in *Seminole Tribe* and *City of Boerne*. As *Patsy* makes clear, however, "policy considerations alone cannot justify judicially imposed exhaustion unless exhaustion is *consistent with congressional intent*." 457 U.S. at 513 (emphasis added); *accord McCarthy v. Madigan*, 503 U.S. 140, 144 (1992) ("Of 'paramount importance' to any exhaustion inquiry is congressional intent." (quoting *Patsy*, 457 U.S. at 501)). The same is true with respect to abstention. *See, e.g., New Orleans Public Service, Inc. v. Council of City of New Orleans*, 491 U.S. 350, 359 (1989) (When addressing questions of abstention, federal courts ought to keep in mind "the undisputed constitutional principle that Congress, and not the Judiciary, defines the scope of federal jurisdiction within the constitutionally permissible bounds."). How could it be otherwise in light of the venerable rule that Congress has virtually plenary authority to parcel out jurisdiction over federal claims among the lower courts? *See, e.g., Sheldon v. Sill*, 49 U.S. (8 How.) 441, 448 (1850) ("Congress, having the power to establish the [lower federal] courts, must define their respective jurisdictions."); *Testa v. Katt*, 330 U.S. 86 (1947) (holding

that Congress may require state courts to adjudicate federal-law claims). And how could it be otherwise given "Congress' power to prescribe the basic procedural scheme under which a claim may be heard in a federal court"? *McCarthy*, 503 U.S. at 144 (citing *Patsy*, 457 U.S. at 501-02 & n.4).

Accordingly, if the question is whether and how property owners should be allowed to pursue their federal constitutional claims for just compensation in federal court, surely the answer is for Congress to give. And on that question, whatever may be said with respect to just compensation claims asserted pursuant to § 1983, Congress has spoken with unmistakable clarity with respect to claims for just compensation asserted against states pursuant to the Patent Remedy Act: those claims may be (and must be) asserted exclusively in a federal district court. As a decision that "depart[ed] from [the Court's] established understanding" of the Just Compensation Clause and "undermine[d] the accepted function" of the Clause, *Seminole Tribe*, 517 U.S. at 66, *Williamson County* should not be allowed to stand in the way of Congress' considered determination.

CONCLUSION

The judgment of the court of appeals should be affirmed.

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